

AMENDED IN ASSEMBLY APRIL 10, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2619

Introduced by Assembly Member Strickland

February 21, 2002

An act to amend ~~Section 19414.5~~ *Sections 19613 and 19613.3* of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2619, as amended, Strickland. horse racing.

Existing law provides for the deduction of a portion of the proceeds of horse races as purses for the benefit of horsemen at the racing meeting, and provides for specific deductions from this portion for the benefit of owners' organizations, administrative expenses, and for other purposes as specified, depending on the type of horse race involved. In this connection, existing law provides that 1½% of this portion be deducted with reference to thoroughbred races held by any association other than a fair, with ⅔ of that amount going to the owners' association for administrative expenses and the other ⅓ going to the trainers' organization for administrative expenses. Existing law automatically repeals these provisions as of a specified date, but replaces these provisions with alternate language that is identical except that only 1%, rather than 1½%, is to be divided between the owners' and trainers' organizations in connection with thoroughbred races held by any association other than a fair. Under existing law, "trainer" is defined for these purposes as a person currently licensed by the board as an owner and trainer or as a trainer.

This bill would change the definition of trainer for these purposes to mean a person currently licensed by the board as a trainer.

Existing law provides for the recognition by the California Horse Racing Board of horsemen's organizations, including organizations solely representing owners and organizations solely representing trainers.

This bill would provide that no organization recognized by the board as representing horsemen may deny membership to any person based on sex or marital status, or discriminate against any person who otherwise qualifies for membership because the person also holds a license as an owner or trainer.

~~For purposes of the Horse Racing Law, the term "racing week" is defined in existing law as 7 consecutive days during which a licensed racing association or fair is authorized by the California Horse Racing Board to conduct horse racing for a minimum of 5 racing days. This definition provides that, upon joint petition of the association or fair and the organization representing horsemen participating in the meeting of that association or fair, the board may authorize the conduct of horse racing for less than 5 racing days.~~

~~This bill would provide instead that the joint petition requesting authorization for horse racing of less than 5 racing days would have to be made by the association or fair, and the organization responsible for negotiating purse agreements on behalf of the horsemen.~~

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 19414.5 of the Business and Professions~~
- 2 ~~SECTION 1. Section 19613 of the Business and Professions~~
- 3 ~~Code, as added by Section 11.5 of Chapter 198 of the Statutes of~~
- 4 ~~2001, is amended to read:~~
- 5 19613. (a) Except as provided in subdivisions (b), (c), (d),
- 6 (e), and (f), the portion deducted for purses pursuant to this chapter
- 7 shall be paid to or for the benefit of the horsemen at the racing
- 8 meeting.
- 9 (b) Any association other than a fair that conducts a
- 10 thoroughbred racing meeting shall pay to the owners' organization
- 11 contracting with the association with respect to the conduct of
- 12 racing meetings for administrative expenses and services rendered

1 to owners, an amount not to exceed two-thirds of $1\frac{1}{2}$ percent of
2 the portion, and to a trainers' organization for administrative
3 expenses and services rendered to trainers and backstretch
4 employees an amount equivalent to one-third of $1\frac{1}{2}$ percent of the
5 portion. That association shall also pay an amount for a pension
6 plan for backstretch personnel to be administered by the trainers'
7 organization equivalent to an additional 1 percent of the portion.
8 The remainder of the portion shall be distributed as purses.

9 (c) Any other association may pay to the horsemen's
10 organization contracting with the association with respect to the
11 conduct of racing meetings for administrative expenses and
12 services rendered to horsemen an amount out of the portion as may
13 be determined by the association by agreement or otherwise, but,
14 in all events, shall include, relative to a thoroughbred horsemen's
15 organization racing, 1 percent of the portion for a pension plan the
16 trainers' organization. The remainder of the portion shall be
17 distributed as purses.

18 (d) Notwithstanding subdivisions (b) and (c), any association
19 conducting a fair racing meeting shall pay to the horsemen's
20 organizations contracting with the association with respect to the
21 conduct of races for their respective breeds of horses at the
22 meetings for administrative expenses and services rendered to
23 their respective horsemen those amounts out of the portion as
24 determined by the horsemen's organization for the respective
25 breeds with the approval of the board. Pursuant to this subdivision,
26 amounts not to exceed 3 percent of the portion for the owners' and
27 trainers' organizations shall be distributed to any thoroughbred
28 owners' and trainers' organizations contracting with an
29 association for a fair racing meeting or participating in mixed
30 breed racing meetings as follows: two-thirds of 1 percent to the
31 owners organization and one-third of 1 percent to the trainers'
32 organization for administrative expenses and services rendered to
33 both owners and trainers, 1 percent for welfare funds, and 1
34 percent for a pension program for backstretch personnel, to be
35 administered by the thoroughbred trainers' organization.

36 (e) Any association other than a fair that conducts a quarter
37 horse racing meeting shall pay to the horsemen's organization
38 contracting with the association with respect to the conduct of
39 racing meetings for administrative expenses and services rendered

1 to horsemen, an amount not to exceed 3 percent of the portion. The
2 remainder of the portion shall be distributed as purses.

3 (f) For racing meetings other than thoroughbred meetings, if no
4 contract has been signed between the association conducting the
5 racing meeting and the organization representing the horsemen by
6 the time the racing meeting commences, the distribution of purses
7 shall be governed by the following:

8 (1) If the association conducted a racing meeting within the
9 past 15 months and a contract was in existence, for that meeting
10 with the horsemen's organization and the association is conducting
11 a subsequent meeting for the same breed or mixed breeds, the
12 amounts payable to the horsemen's organization under
13 subdivision (c) shall be computed under the provisions of the last
14 signed contract between the parties.

15 (2) This subdivision applies regardless of the cause of the
16 failure to execute a contract, whether that failure is a result of
17 inadvertence or otherwise.

18 (3) For racing meetings that do not come within paragraph (1),
19 the board shall, within 15 days after the commencement of the
20 racing meeting, determine the amounts payable to the horsemen's
21 organization for administrative expenses and services, and provide
22 for the direct payment of those amounts.

23 (g) Amounts distributed pursuant to this section are derived
24 from owners' purses.

25 (h) For the purposes of this section, the following definitions
26 shall apply:

27 (1) "Owner" means a person currently licensed by the board
28 as an owner of a thoroughbred racehorse.

29 (2) "Trainer" means a person currently licensed by the board
30 ~~as an owner and trainer or~~ as a trainer of a thoroughbred racehorse.

31 (i) This section shall become operative on January 1, 2008.

32 *SEC. 2. Section 19613 of the Business and Professions Code,*
33 *as amended by Section 11 of Chapter 198 of the Statutes of 2001,*
34 *is amended to read:*

35 19613. (a) Except as provided in subdivisions (b), (c), (d),
36 (e), and (f), the portion deducted for purses pursuant to this chapter
37 shall be paid to or for the benefit of the horsemen at the racing
38 meeting.

39 (b) Any association other than a fair that conducts a
40 thoroughbred racing meeting shall pay to the owners' organization

1 contracting with the association with respect to the conduct of
2 racing meetings for administrative expenses and services rendered
3 to owners, an amount not to exceed two-thirds of $1\frac{1}{2}$ percent of
4 the portion, and to a trainers' organization for administrative
5 expenses and services rendered to trainers and backstretch
6 employees an amount equivalent to one-third of $1\frac{1}{2}$ percent of the
7 portion. That association shall also pay an amount for a pension
8 plan for backstretch personnel to be administered pursuant to
9 Section 19613.8 equivalent to an additional 1 percent of the
10 portion. The remainder of the portion shall be distributed as
11 purses.

12 (c) Any other association may pay to the horsemen's
13 organization contracting with the association with respect to the
14 conduct of racing meetings for administrative expenses and
15 services rendered to horsemen an amount out of the portion as may
16 be determined by the association by agreement or otherwise, but,
17 in all events, shall include, relative to a thoroughbred horsemen's
18 organization racing, 1 percent of the portion for a pension plan for
19 backstretch personnel pursuant to Section 19613.8. The remainder
20 of the portion shall be distributed as purses.

21 (d) Notwithstanding subdivisions (b) and (c), any association
22 conducting a fair racing meeting or conducting a mixed breed
23 racing meeting shall pay to the horsemen's organizations
24 contracting with the association with respect to the conduct of
25 races for their respective breeds of horses at the meetings for
26 administrative expenses and services rendered to their respective
27 horsemen those amounts out of the portion as determined by the
28 horsemen's organization for the respective breeds with the
29 approval of the board.

30 Pursuant to this subdivision, amounts not to exceed 3 percent of
31 the portion for the owners' and trainers' organizations shall be
32 distributed to any thoroughbred owners' and trainers'
33 organizations contracting with an association for a fair racing
34 meeting or participating in mixed breed racing meetings as
35 follows: two-thirds of 1 percent to the owners' organization and
36 one-third of 1 percent to the trainers' organization for
37 administrative expenses and services rendered to both owners and
38 trainers, 1 percent for welfare funds, and 1 percent for a pension
39 program for backstretch personnel, to be administered pursuant to
40 Section 19613.8.

(e) Any association other than a fair that conducts a quarter horse racing meeting, except a mixed breed meeting, shall pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen, an amount not to exceed 3 percent of the portion. The remainder of the portion shall be distributed as purses.

(f) For racing meetings other than thoroughbred meetings, if no contract has been signed between the association conducting the racing meeting and the organization representing the horsemen by the time the racing meeting commences, the distribution of purses shall be governed by the following:

(1) If the association conducted a racing meeting within the past 15 months and a contract was in existence for that meeting with the horsemen's organization and the association is conducting a subsequent meeting for the same breed or mixed breeds, the amounts payable to the horsemen's organization under subdivision (c) shall be computed under the provisions of the last signed contract between the parties.

(2) This subdivision applies regardless of the cause of the failure to execute a contract, whether that failure is a result of inadvertence or otherwise.

(3) For racing meetings that do not come within paragraph (1), the board shall, within 15 days after the commencement of the racing meeting, determine the amounts payable to the horsemen's organization for administrative expenses and services, and provide for the direct payment of those amounts.

(g) Amounts distributed pursuant to this section are derived from owners' purses.

(h) For the purposes of this section, the following definitions shall apply:

(1) "Owner" means a person currently licensed by the board as an owner of a thoroughbred racehorse.

(2) "Trainer" means a person currently licensed by the board as an owner and trainer or as a trainer of a thoroughbred racehorse.

This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 3. Section 19613.3 of the Business and Professions Code is amended to read:

19613.3. (a) Each horsemen's organization, except an organization that solely represents owners, or an organization that solely represents trainers, shall provide for the representation of owners and trainers on its board of directors. The provisions setting forth the composition of the board of directors of each organization shall be in the bylaws of the organization and shall be submitted to the board. The bylaws and any changes thereto shall be approved by the board.

(b) *No organization that is recognized by the California Horse Racing Board as representing horsemen may deny membership to any person based on sex or marital status, or discriminate against any person who otherwise qualifies for membership because that person also holds a license as an owner or trainer.*

~~Code is amended to read:~~

~~19414.5. (a) "Racing days" are days on which a licensed racing association or fair is authorized by the board to conduct horse racing.~~

~~(b) "Racing weeks" are seven consecutive days during which a licensed racing association or fair is authorized by the board to conduct horse racing for a minimum of five racing days. The board, however, upon joint petition of the association or fair and the organization that is responsible for negotiating purse agreements on behalf of the horsemen participating in the meeting of that association or fair, may authorize the conduct of horse racing for less than five racing days. Fractional racing weeks of four days or less may be authorized by the board at the beginning and end of any horse racing meeting. Fractional weeks may also be authorized during weeks containing holidays and during periods of overlap with thoroughbred meetings and fairs if the total number of weeks authorized by the board in any calendar year for each breed does not exceed the maximum annual allocation of racing weeks provided for in Article 6 (commencing with Section 19530). If a licensed racing association holds a split meeting, each part of the split meeting shall be deemed a horse racing meeting solely for the purposes of authorizing fractional racing weeks.~~